EXTRACT FROM THE MYSORE SALES TAX ACT, 1957.

(MYSORE ACT 25 OF 1957)

x x x x

5. **Levy of tax on sale or purchase of goods.**—(1) Every dealer shall pay for each year tax on his taxable turnover at the rate of three and a half per cent of such turnover:

Provided further that if and to the extent to which such turnover relates to gur, pulses incuding their dhals, flour and husks, wheat (including aatta, maida, soji and bran), paddy, rice (including parched rice and beaten rice and bran) ragi, jola maize, bajra, navane, samey (ಸಾಮೆ) and gunny bags and bardans(including batars) and hessian cloth, the tax shall be calculated at the rate of one and a half per cent of such turnover

(2) Notwithstanding anything contained in sub-section (5), a dealer registered under the Central Sales Tax Act, 1956, shall, whatever be the quantum of his total turnover, be liable to pay tax at the rate specified in this Act on the sale of any goods which he has purchased in the course of inter-State trade or commerce in respect of which the concessional rate of tax under clause (b) of sub-section (1) of Section 8 of the Central Sales Tax Act, 1956, has been levied—

(3) Notwithstanding anything contained in subsection (1), the tax under this Act shall be levied.

(*a*) in the case of the sale of any of the goods mentioned in column (2) of the Second Schedule, by the first or the earliest of successive dealers in the State who is liable to tax under this Section, a tax at the rate specified in the corresponding entry of column (3) of the said Schedule, on the taxable turnover of sales of such dealer in each year relating to such goods:

Provided that in respect of sale by the State Government of any of the mentioned in serial numbers 38, 99 and 40 of the Second Schedule, the State Government shall be deemed to be the first dealer in the State and shall be entitled to collect the tax under Section 19 :

Provided further that in respect of sale of goods mentioned in sarial number 38 of the Second Schedule, the sale by a licensee of a bonded warehouse to a person not being such a licence shall be deemed to be the sale by first dealer liable to tax under this section.

(*b*) in the case of purchase of any of the goods mentioned in column (2) of the Third Schedule at the rate and only at the point specified in the corresponding entries of colums (4) and (3) of the said Schedule, on the dealer liable to tax under this Act on his taxable turnover of purchases in each year relating to such goods.

Explanation..—For the purpose of the second proviso to clause (*a*), the expression "bonded warehouse" shall have the same meaning as in the Mysore Excise Act, 1965 (Mysore Act 21 of 1966).

(3A) Notwithstanding anything contained in sub-section (1) or sub-section (3) the tax payable by a dealer in respect of any sale of goods mentioned in the Second Schedule by such dealer to a registered dealer for use by the latter as component part of any other goods mentioned in that Schedule,which he intends to manufacture inside the State for sale, shall be at the rate of two per cent or the rate specified in the Second Schedule in respect of such goods whichever is lower on the turnover relating to such sale :

Provided that the provisions of this sub-section shall not apply to any sale unless the dealer selling the goods furnishes to the assessing authority in the prescribed manner a declaration duly filled in and signed by the dealer

to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority.

Explanation.—For the purpose of this sub-section 'component part' means an article which froms an indentifiable constituent of the finished product and which along with others goes to make up the finished product.

(4) Notwithstanding anything contained in sub-section (1) a tax under this Act shall be levied in respect of the sale or purchase of any of the declared goods mentined in column (2) of the Fourth Schedule at the rate and only at the point specified in the corresponding entries on columns (4) and (3) of the said Schedule on the dealer liable to tax under this Act on his taxable turnover of sales or purchases in each year relating to such goods :

Provided that where tax has been paid in respect of the sale or purchase of any of the declared goods under this sub-section and such goods are subsequntly sold in the course of inter-State trade or commerce, the tax paid under this Act shall be refunded to such person in such manner and subject to such condition as may be prescribed.

Explanation.—The expression "declared goods" means goods declared under section 14 of the Central Sale Tax Act, 1956 (Central Act 74 of 1956), to be of special importance in inter-State trade or commerce.

(5) (*a*) A dealer whose total turnover in any year is less than twenty five thousand rupees shall not be liable to pay tax for that year.

(*b*) Notwithstanding anything contained in clause (*a*) every casual trader in any of the goods specified in the Third Schedule or the Fourth Schedule shall be liable to pay tax at the rate specified in this Act on his taxable turnover of sales or purchases in each year whatever his total turnover during the year may be.

(6) For the purpose of this section and other provisions of this Act the total turnover, taxable turnover or

turnover shall be determined in accordance with such rules as may be prescribed.

(7) The tax shall be assessed, levied and collected in such manner and in such instalments, if any, as may be prescribed :

Provided that in respect of the same transaction of sale, the buyer or the seller, but not both, as determined by such rules as may be prescribed, shall be taxed.

(9) Subject to such rules as may be prescribed, the assessing authority may assess a dealer for any year as if his transactions in such year had been the same as in previous year.

"**6. Levy of purchase tax under certain circumstances.** Subject to the provisions of sub-section (5) of sections 5, every dealer who in the course of his business purchases any taxable goods in circumstances in which no tax under section 5 is leviable on the sale price of such goods and,

(i) either consumes such goods in the manufacture of other goods for sale or otherwise or disposes of such goods in any manner other than by way of sale in the State, or

(ii) despatches them to a place outside the State except as a direct result of sale or purchase in the course of inter-State trade or commerce shall be liable to pay tax on the purchase price of such goods at the same rate at which it would have been leviable on the sale price of such goods under section 5 :

Provided that this section shall not apply—

(i) in respect of sale or purchase of goods specified in the Fourth Schedule, and

(ii) in respect of sale or purchase of goods specified in the Second Schedule which have already been subject to tax under clause (a) of sub-section (3) of section 5."

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17. Composition of tax.—Subject to such conditions and in such circumstances as may be prescribed the

prescribed authority, or when no authority is prescribed, the assessing authority of the area, may, if a dealer, other than a dealer liable to tax under clause (a) of sub-section (3) of section 5 (or a dealer referred to in sub-section (2) of section 10). so elects, accept in lieu of the amount of tax payable by him during any year, under this Act, by way of composition, an amount at the following rates, namely :—

TABLE

Sl. No.	*Total turnover*	*Rate*
1.	Where the total turnover is not less than twenty-five thousand rupees, but is less than thirty-five thousand rupees.	Sixhundred rupees per annum.
2.	Where the total turnover is not less than thirty-five thousand rupees, but is less than forty-five thousand rupees.	Nine hundred rupees per annum.
3.	Where the total turnover is not less than forty-five thousand rupees, but is less than fifty-five thousand rupees.	One thousand and two hundred rupees per annum.
4.	Where the total turnover is not less than fifty-five thousand rupees, but is less than sixty-five thousand rupees.	One thousand and five hundred rupees per annum.
5.	Where the total turnover is not less than sixty-five thousand rupees, but not more than seventy-five thousand rupees.	One thousand and eight hundred rupees per annum.

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Section 43.—Assessment to tax or taxes in certain cases.—

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(3) Notwithstanding anything contained in this Act, where in respect of the sale or purchase of any goods, the rate of tax (hereinafter referred to as the original rate) is revised, or no tax is payable, from any date during any

year, the turnover of a dealer or other person during the period up to that date in that year shall be liable to tax at the original rate, and his turnover during the period from that date till the end of that year shall be liable to tax at the revised rate, or shall not be liable to tax, as the case may be.

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